

Appendix 1-5: Everglades Forever Act Annual Financial Report

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The information contained in this appendix is presented to fulfill the requirements related to the reporting of financial information for Everglades restoration, which is an annual update to the 2011 South Florida Environmental Report – Volume I, Chapter 13. The 1994 Everglades Forever Act (EFA) [Section 373.4592, Florida Statutes (F.S.)], 1997 Everglades Oversight Act (Chapter 97-258, Laws of Florida), and 2003 Long-Term Plan for Achieving Water Quality Goals for Everglades Protection Area Tributary Basins (Long-Term Plan) (Burns and McDonnell, 2003¹) (Chapter 2003-12, Laws of Florida) require the South Florida Water Management District (SFWMD or District) to annually provide Everglades Program revenue and expenditure information, including a comparison of actual versus projected revenues and a projection of costs and revenues over a successive five-year period. Supplemental information on the progress of the Everglades Construction Project is presented in Chapter 5 and related appendices of this volume.

Dedicated funding is essential to the progress of Everglades restoration. Funding sources designated by the EFA for the Everglades Construction Project (ECP) and the Long-Term Plan include *ad valorem* revenues, agricultural privilege taxes, state land funds, federal funds, Alligator Alley toll revenues, other environmental mitigation funds, Certificates of Participation (COPs) debt proceeds, and any additional funds that become available. Actual revenue of \$1.37 billion has been collected for the EFA Program through September 30, 2011, and is estimated to total \$1.99 billion by the end of FY2016.

In Fiscal Year 2011 (FY2011) (October 1, 2010–September 30, 2011), net revenues totaled \$161.7 million (unaudited), of which \$52.0 million came from *ad valorem* and \$10.8 million from agricultural privilege tax collections, \$97.1 million from COPs proceeds, and the remaining \$1.8 million from the other sources listed above.

In Fiscal Year 2012 (FY2012) (October 1, 2011–September 30, 2012) revenues are estimated to total \$57.1 million, of which *ad valorem* taxes and net agricultural privilege taxes are projected to generate \$36 million and \$11.3 million in revenue, respectively; with an additional \$8.9 million coming from COPs proceeds and \$946,000 from other sources.

The District, other agencies, and the agricultural community share the cost of implementing the ECP and the Long-Term Plan. **Figures 1-3** present the Everglades Program FY2011 revenue sources, the five-year revenue projection (October 1, 2011–September 30, 2016), and the cumulative total revenue projection from inception through September 30, 2016, respectively. It should be noted that revenue projections presented may change in the future to reflect new infrastructure costs needed to ensure permit compliance.

¹ Burns and McDonnell. 2003. Everglades Protection Area Tributary Basins Long-Term Plan for Achieving Water Quality Goals. October 2003. Report prepared for the South Florida Water Management District, West Palm Beach, FL.

Figure 4 presents the trend in projected versus actual revenue received from 1994 through the end of FY2011. The FY2011 actual revenue of \$161.7 million was below the estimated amount of \$164.4 million.

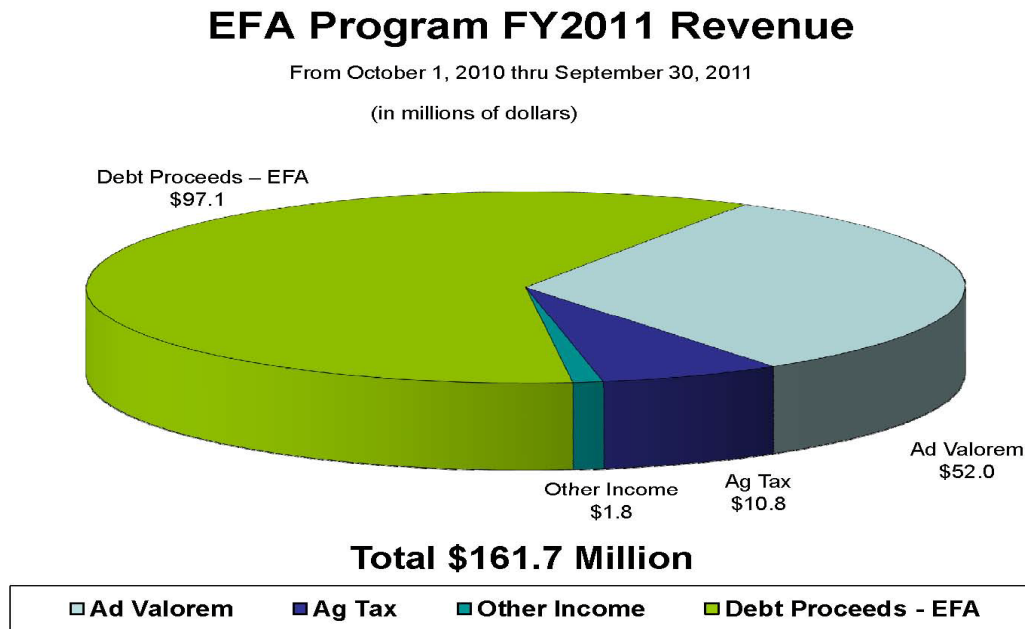


Figure 1. Fiscal Year 2011 (FY2011) (October 1, 2010–September 30, 2011) revenue for the Everglades Forever Act (EFA) Program.

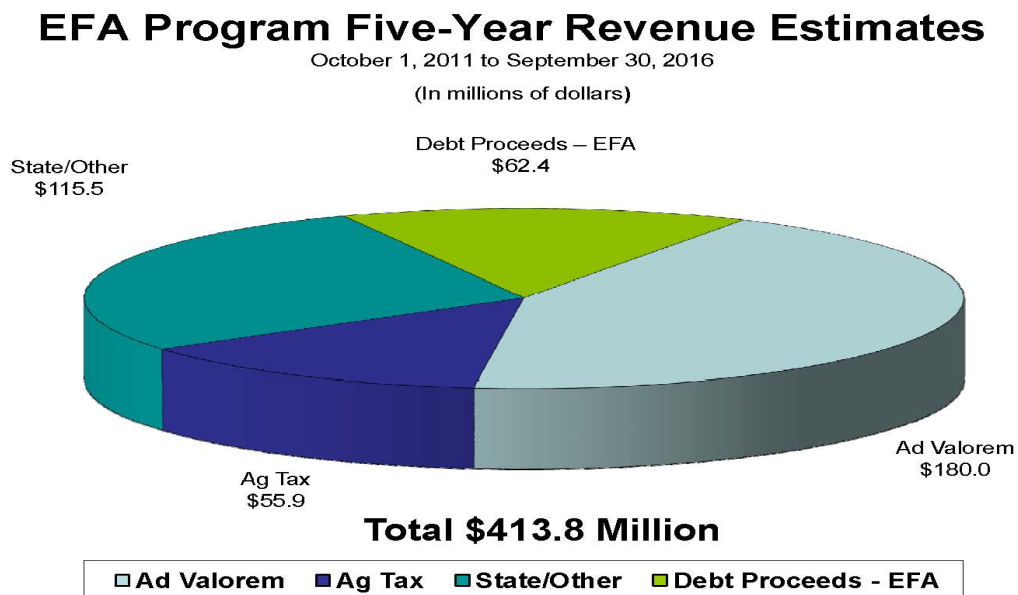


Figure 2. Five-year (October 1, 2011–September 30, 2016) revenue estimates for the EFA Program.

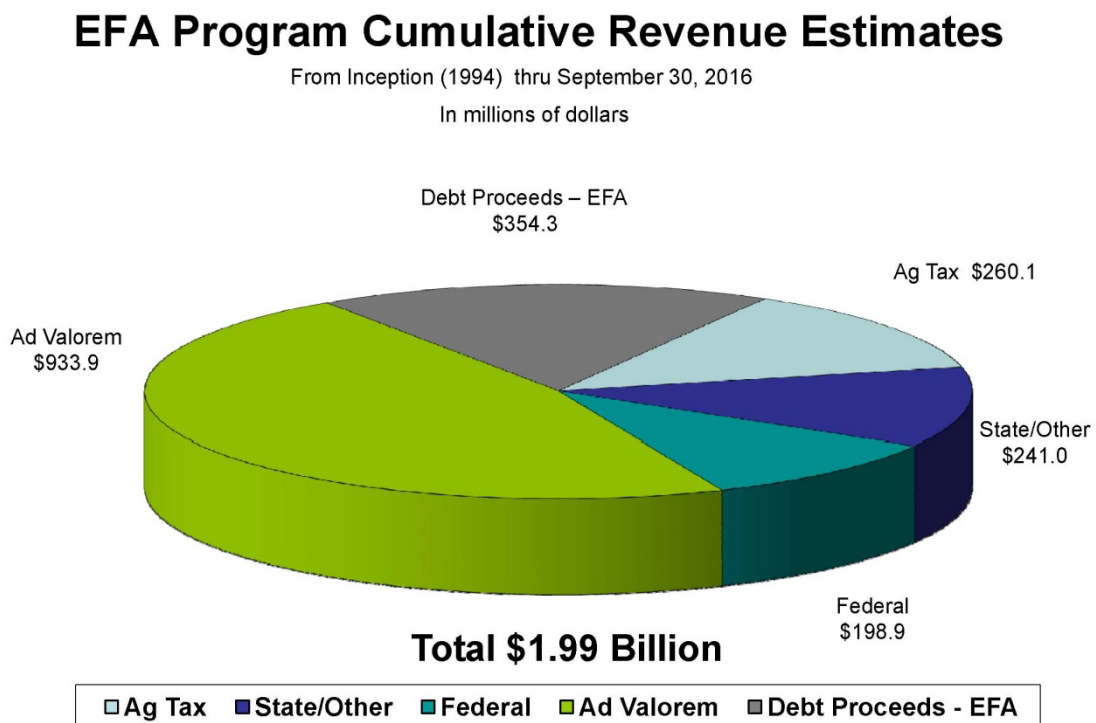


Figure 3. Cumulative revenue estimates for the EFA Program (1994–2016).

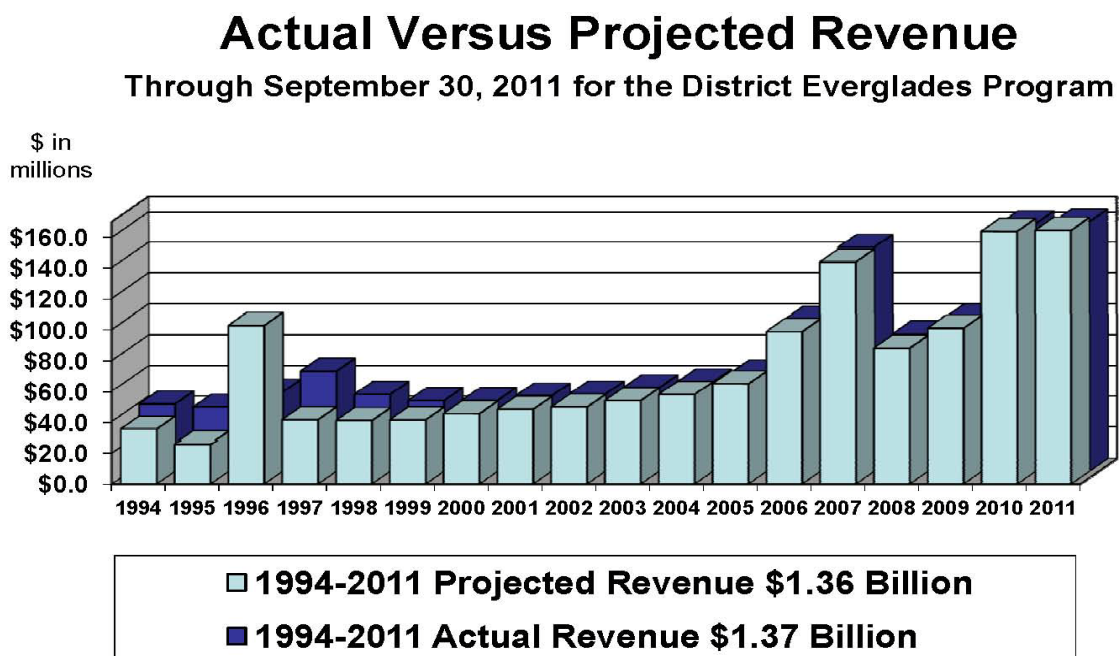


Figure 4. Actual versus projected revenues through September 30, 2011, for the EFA Program.

In FY2011, a total of \$154.1 million (unaudited) was expended for work associated with the District's Everglades Program. Of this amount, \$15.1 million was for work related to implementing the Long-Term Plan. Additionally, the Long-Term Plan-related Stormwater Treatment Area (STA) Operations and Maintenance (O&M) expenditures accounted for \$15 million; and the Long-Term Plan-related construction expenditures associated with the expansion of Compartments B and C (financed through issuance of COPs) totaled \$97.1 million. Debt service payments related to the issuance of the first COPs for the Compartments B and C build-outs was \$19.5 million. The remaining \$7.4 million was spent on other EFA-related components such as monitoring, assessment, research, and evaluation in the EPA. All these FY2011 amounts exclude any outstanding commitments/encumbrances at September 30, 2011, that are planned to roll forward into FY2012.

The FY2012 EFA Program budget is \$89.1 million, of which \$40.9 million relates to the Long-Term Plan components including Everglades Restoration Expedited Projects, STA enhancements, STA optimization, STA monitoring, source controls, recovery of impacted areas, adaptive implementation, Long-Term Plan program management; \$17.4 million for Long-Term Plan STA O&M, and \$19.5 million in debt service payments; \$8.9 million (prior year COPs proceeds) to be used for the construction of Compartments B and C build-outs; and the remaining \$2.4 million covers payment of property appraiser and tax collector fees and other EFA-related components such as research and evaluation in the EPA.

Figures 5-7 present the FY2011 (unaudited) expenditures, the five-year Everglades Program expenditure forecast (FY2012–FY2016) of \$413.8 million, and the cumulative Everglades Program expenditure forecast of \$1.99 billion from inception through September 30, 2016, respectively. It should be noted that expense projections presented may change in the future to reflect new infrastructure costs needed to ensure permit compliance.

EFA Program FY2011 Unaudited Expenditures

(in millions of dollars)

From October 1, 2010 thru September 30, 2011

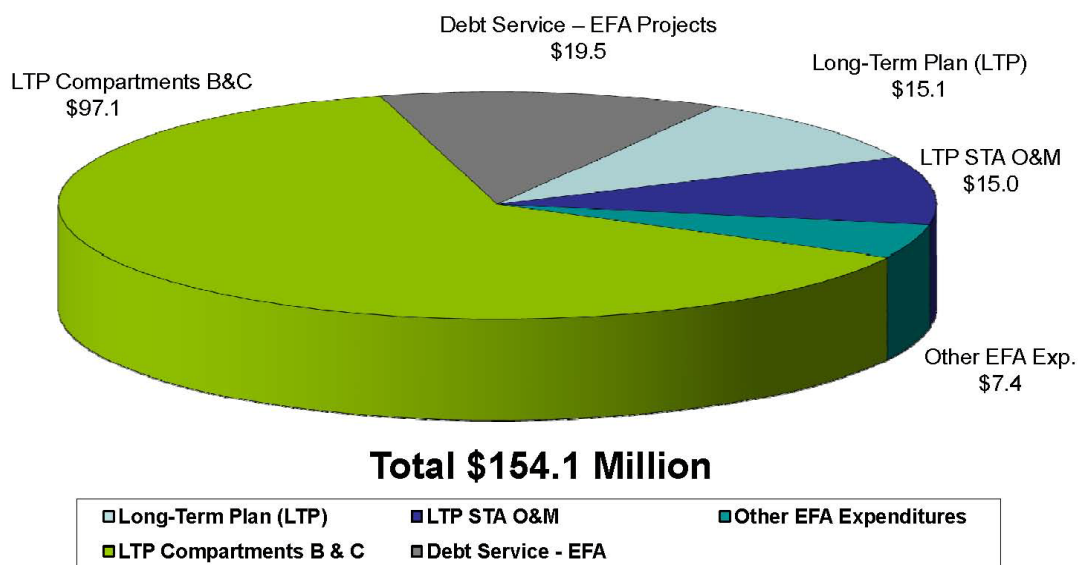


Figure 5. FY2011 unaudited expenditures for the EFA Program.

EFA Program Five-Year Expense Estimates

October 1, 2011 to September 30, 2016

(In millions of dollars)

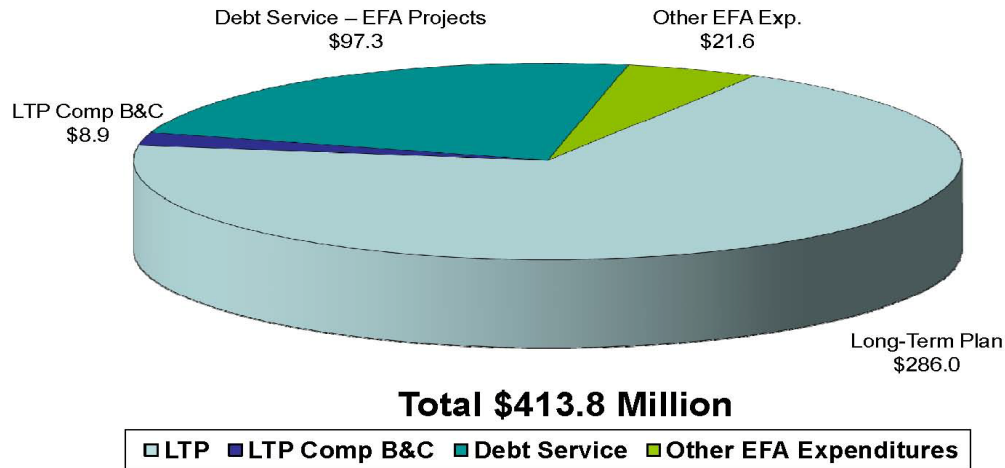


Figure 6. Five-year (October 1, 2011–September 30, 2016) expense estimates for the Everglades Program.

EFA Program Cumulative Expense Estimates

From Inception (1994) thru September 30, 2016

(In millions of dollars)

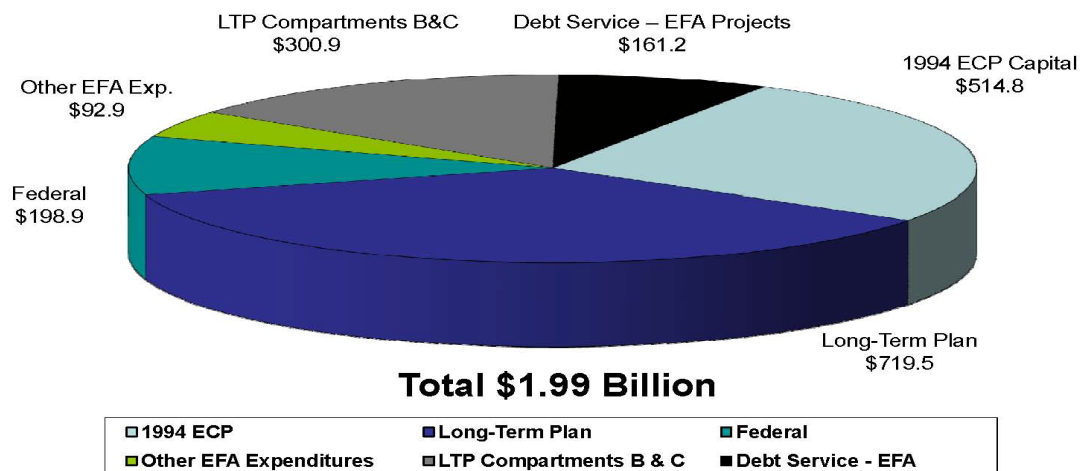


Figure 7. Cumulative expense estimates for the EFA Program (1994–2016).